# GENERAL OBLIGATION BOND PROJECT OVERSIGHT COMMITTEE MEETING MINUTES AUGUST 4, 2003

- 1. Attendance See Attendance Sheet attachment.
- 2. Review and Acceptance of July 7, 2003 meeting minutes.

ACTION: Mr. Mike Rotbart motioned to approve the minutes. The motion was seconded by Mr. Marty Hyman. The motion passed.

### Presentation

# (A) General Obligation Bond Interest

Ms. Patricia D. Walker, Chief Financial Officer, reported that GO Bond Interest is held, invested and reserved first in Arbitrage. She explained that Arbitrage is the earning interest over the rate of the interest that is paid on the debt service of the bonds until the bond funds are expended. She continued by saying that an accounting firm is hired to calculate what the Arbitrage payment will be on an annual basis. She added that the second thing that is done with GO Bond interest is to act as a funding source of last resort for additional funding for a GO Bond project. She said that work requiring the additional funding has to be within scope of work originally included within the bond issuance. She continued by saying that the funds are earning between 1% and ½%, depending on the investment.

Mr. Roberto Sanchez wanted to know if some of the interest is being used for the Normandy Isle Pool project. Ms. Walker responded that \$100,000 is being used for additional A/E services for the project because it is within scope of work originally included in the bond issuance.

Mayor David Dermer wanted to know if a situation would be created where there will not be enough interest for Arbitrage, if it used for projects. Ms. Walker responded that it could be possible if the funds are not monitored and analyzed appropriately.

Mr. Rotbart wanted to know what has been earned in interest to date from the \$30 million from the first draw of the GO Bond that has already been invested. Ms. Walker responded by saying that \$2,360,000 in interest has been earned to date and that \$335,000 has already been committed for expenditure. The interest already committed was for the Fire Station #4 project, the Parks Master Plan projects, and the Normandy Isle Pool Project.

Mr. Frank Del Vecchio wanted to know if there was a cost for the \$30 million that was borrowed. He also wanted to know how surplus funds could be used on

projects if the municipality is not allowed to make gains on the investment. Ms. Walker explained that the GO Bond funds are paid for by debt service millage on every property in the City of Miami Beach. She added that the factors of time, interest rates and investments earnings determine how much can be spent from the interest earned.

## 4. Change Orders

The Change Order Report was presented and reviewed.

Mr. Hyman wanted to know more information about the change order for the North Shore Park and Youth Center for relocating 2 light poles at the Tennis Center. He added that he wanted follow-up on the resolution of this item. He continued by saying that he would follow this procedure on each and every change order that he felt needed to be more fully explored. He said that the project funds were from the residents of the City of Miami Beach and he needed to have a response that was adequate.

Mr. Todd Osborn of URS, the Program Manager for the North Shore Park and Youth Center project, provided a response outlining the purpose of the Change Order, essentially that there was a conflict between the fence location and the lights.

Assistant City Manager Robert Middaugh explained that he didn't believe it was necessary to get into such detail or direction. He added that this information would take up staff time and it was not a useful exercise.

Mr. Hyman responded that he felt it was not an exercise and considered it useful to find out why money is being used. He added that he understood the mission of the Committee to assure the Commission and residents that GO Bond money was being used as intended.

Mr. Hyman wanted to know why there was a Change Order for an addition of 6 area drains on the tennis court area. Mr. Osborn responded that the original design to absorb the water runoff would not work very well and landscaping would be eroded. He continued by saying that adding the additional drains would help the drainage situation.

Mr. Hyman wanted to know more detail on about the change order for a sidewalk addition to provide access to the entry ramps south of the building. Mr. Osborn responded that the survey drawings and project drawings did not match, and that new entry ramps were needed.

Mr. Del Vecchio commented that the CIP staff members knew their jobs very well. He added that Mr. Hyman presses on the issues to get answers, but it was necessary since the public is watching what is going on with the City.

Mr. Hyman commented that with respect to the North Shore Youth Center he believed this project was an example of exceptional accomplishment. He added that the

percentage of overall budget with change orders and contingencies is relatively low for a project of this size.

## 5. Recommendation to City Commission

# (A) Biscayne Pointe BODR

Mr. Hemstreet informed the Committee that the Basis of Design Report for the Biscayne Pointe Neighborhood Improvement Project would be presented for the Committee's approval, and then if recommended, the approval of the Commission. He reported that there were two issues that the residents had expressed concern about previously. He said that one issue has to do with a proposal for acorn lighting and a change on the footage in between each light pole. The other issue is about additional money for an increased level of enhancement to the entranceway. He introduced Joe Corradino from The Corradino Group, the Architect/Engineer for the project. Mr. Corradino presented the proposed improvements for review by the Committee. The improvements were also further described in the Basis of Design Report (BODR) distributed to the Committee.

Mr. Richard Schindler, a Biscayne Beach resident, commented that he felt his neighborhood area needs drainage improvements on Crespi Boulevard. He added that he felt the neighborhood was not getting the level of improvements it needed. The sidewalks and streets need new pavements. He added that new curbs are also needed, along with many other improvements.

Mayor Dermer wanted the Administration to respond to the issues that the residents were bringing up.

Mr. Hemstreet commented that the response that was given at the Community Design workshop was the same; the GO Bond funds that have been allocated for the neighborhood have been divided by linear foot. Th ree Sub-neighborhoods were identified within the Biscayne Pointe neighborhood: Biscayne Pointe Island, Stillwater and Biscayne Beach. The stormwater improvements were identified through a master plan, which the City Commission adopted and approved. There are 34 priority basins that were identified and had funding allocated to them and the Biscayne Beach area is not a priority basin. Therefore, stormwater funds cannot be used for that area.

Mr. Mark Weithorn, Co-President of the Stillwater Drive Homeowners Association, commented that the last time improvements were done to Stillwater Drive was about a decade ago. He added that there are no trees, that the telephone poles are in disrepair and that the neighborhood would like something done to make the area more attractive. He added that the allocation of funds was a good one and might make the street look good and improve the situation in the neighborhood.

Mr. Ted Berman, a resident, commented that Biscayne Pointe is very dark at night and that's why the residents are requesting improvements. He added that a request from the neighborhood residents also included traffic calming measures. He added that maybe to accelerate the improvements on the lighting, a bid package could be put out just for that part of the project.

Ms. Sandy Edelman, a resident of Biscayne Pointe commented that she felt it didn't make any sense to repave the area. She added that the streets are constructed incorrectly and that houses get flooded constantly. She said that there are no traffic calming devices in the area and that the traffic situation is getting worse. She said that police patrols will make a difference on calming the traffic.

Mayor Dermer commented that according to statistics from the Police Department, the installed median extensions have slowed down traffic.

Ms. Paula Schmidt, a resident of Crespi Boulevard, commented that she has never seen a breakdown of the funding allocated per linear foot. She added that more funding is needed in her neighborhood than in the other neighborhoods in Biscayne Pointe. She said that flooding was worse in her area than in any other area that she knew about.

Mr. Scott Stone, a resident of Biscayne Pointe Island, commented that the neighborhood could use additional lighting for security reasons.

Ms. Lucero Levy, a resident of Biscayne Pointe, requested that the lights should be installed 75 feet apart and that 30 additional lights should be installed.

Mr. Silvio Rodriguez, a resident of Biscayne Pointe commented that he was in support of the additional lighting in lieu of paving area streets.

Ms. Diana Susi, a resident of Biscayne Pointe, commented that she has lived in the neighborhood for over 30 years. She added that she agreed with the concept of adding lighting to the neighborhood.

Mr. Randolph Reich, a resident, commented that the neighborhood has always been supportive of the GO Bond improvements and are anxious to get the construction started. He added that additional lighting is something that should be looked into.

Mr. Sanchez wanted to know if the additional lights could be installed instead of resurfacing the streets. Mr. Corradino responded that additional lighting could be installed at an 85 foot interval, which is The Corradino Group's recommendation relative to the spacing of light poles. The Corradino Group recommended that

repaving the streets take precedent as the useful life of the existing paving is running out.

Mr. Rotbart commented that the street resurfacing should not be paid out of GO Bond funds, but out of Public Works or other funding sources.

Mr. Del Vecchio commented that he believed that the basis of the allocation on linear footage was not a good methodology to be used. He added that defining need is also important. He added that there seems to be consensus on traffic calming, lighting and safety. He wanted to know if money could be reallocated to Biscayne Pointe to offset pavement costs. Mr. Hemstreet responded that this could not be done.

Mr. Scott Needelman wanted to know how the engineers came up with the distance of lighting in the neighborhoods. Mr. Corradino responded that with the existing lights and proposed new ones, it was calculated 100 feet on center would be adequate lighting for the area. This is the same standard being applied throughout the City.

A lengthy discussion ensued with the Administration, GO Bond Committee members and the residents on what should be done in the neighborhood with respect to paving versus lighting with the money allocated for the neighborhood.

Mr. Jean Francois LeJeune wanted to know what the process was on repaving streets and would it be better to discuss the planned improvements with City Departments. Mr. Hemstreet responded that after Community Design Workshops, the City staff reviews the designs in order to make sure that recommendations do not have any conflicting or operational issues.

ACTION:

Mr. Rotbart motioned to recommend that the City Commission approve the Biscayne Pointe Basis of Design Report with the condition that lighting issues be addressed, as per the residents desire, instead of pavement issues. The motion was seconded by Mr. Sanchez. The motion passed.

# 6. Project Status Report

(A) Update on Fire Station #2

Mr. Tim Hemstreet informed the Committee that Jasco has started construction and the project is moving along well. He added that preparation for the forming of water tanks should be developing soon.

(B) Update on Fire Station #4

Mr. Hemstreet informed the Committee that the revised site plan for the proposed demolition of the historic Fire Station building and the revision of additional

footage has been submitted to the Historic Preservation Board (HPB) that will be meeting on September 9, 2003. He added that depending on the HPB decision, the Administration intends to present the Project to the City Commission on either September 10, 2003 or October 15, 2003.

Mr. Mike Brazlavsky wanted to know why there is a need to wait until the September 9, 2003 HPB meeting and if an emergency meeting could take place before then. Mr. Hemstreet responded that some time was needed to put together the revised site plan and notice the residents. It is a requirement that five weeks notice be given to the area residents.

Mr. Wein wanted to know if the construction time table for the Fire Station project had been moved up at all. Mr. Hemstreet responded that the timeline that had been previously presented to the Committee was as accurate as possible. He added that they would push the architect as much as possible and if finished sooner, the City would perhaps see construction begin earlier.

Assistant City Manager Middaugh commented that the Fire Station project is a priority and the project has steps it needs to go through. He added that Mr. Hemstreet is doing all he can to get the project moving as fast as he can.

Mr. Rotbart wanted to know when the construction of Fire Station #4 would begin. Mr. Hemstreet responded it was scheduled to begin in March 2004.

Mr. Hyman commented that according to the Project Status Report, the estimated date for completion was April 2005. He added that he doubted this date would be met. He also commented that last month the construction documents for Phase 2 were at 75% complete. He wanted to know why they continued to be the same and had been developed further. He said that he was concerned there was no sense of urgency with this project.

Mayor Dermer wanted to know if this project could be placed on a fast track. He also wanted to know if projects that have public importance should be treated differently.

Mr. Rotbart also commented that this project should be treated as an emergency issue. He also said that living in a trailer for a Fire Fighter could not be comfortable.

Mayor Dermer stated that emergency response time from this station is just as good with the staff in the trailers as when they were in the station.

# (C) Update on Normandy Isle Park and Pool

Mr. Hemstreet informed the Committee that there had been two issues that came up since the last Committee meeting. He continued to explain that the Normandy

Isle Park and Pool project has a significant delay caused by the Contractor. He said these issues are related to the pool deck and the pool slab construction. These issues are under review by the CIP Office, URS and the City's A/E consultant. He added that the Pool deck was rejected by the City's Special Inspector for the project, due to the Contractor's failure to follow the contract documents. The Pool slab was poured without the required reinforcing steel inspection from the Special Inspector. In addition, the Contractor did not notify the Special Inspector of a need for inspection services until the concrete placement had already started. As a result, the Special Inspector was unable to perform adequate testing of the concrete. This action is the fault of the Contractor and should not result in additional cost to the City. Additional time will not be added to the Contractor's schedule and if the Contractor misses the completion date due to the issue, then the Contractor will incur liquidated damages.

Mr. Brazlavsky said he was concerned it took eight days for the City to realize that the Contractor had not done what he was supposed to do. He was also concerned that the park was destroyed and that the kids are not able to play in the park and are now playing in front of his house.

Mr. Scott Needelman was concerned that a number of things were not done during the time the Contractor was working on the project, which led to the problem issues. Mr. Todd Osborn explained that the City's Special Inspector for the Project rejected the æck slab inspection due to the Contractor's failure to follow the contract documents, i.e. the approved structural drawings. The Contractor poured more concrete on the pool deck and poured the pool bottom slab without the required reinforcing steel inspection from the Special Inspector. In addition, the Contractor did not notify the Special Inspector of the need for an inspection until the concrete placement had already started. As a result, the Special Inspector was unable to perform adequate testing of the concrete.

Mr. Needelman wanted to have a breakdown of all the entities involved in a project and what their specific duties are. He added that this might pinpoint who might be at fault when something like this happens.

Mr. Hemstreet responded saying that contractual authority for the City to stop work is not a clear provision in the contract. The contract is a lump sum agreement that allows the Contract to build the project the way the Contractor likes. He added that if the Contractor does not comply with the provisions of the contract drawings, then the Contractor has to go back and correct what was done if it is not approved by the Architect and the City.

Assistant City Manager Middaugh commented that it is not a good idea to get into this issue in detail. He added that the City did not make a mistake, and that the issue was found and would be fixed. He continued by saying that this issue might go to litigation and it should not be discussed in this environment. He said

that if the Committee would like, the issue could be discussed at a later time.

Mr. Hyman wanted to know what progress would be made on this project. He also wanted to know if the Legal Department had been notified. Mr. Osborn responded that no significant progress could be made until the two issues are corrected. He added that the Legal Department had been notified.

Mr. Sanchez commented that since he had previously been involved full time on a construction project, he is fully aware that it is the responsibility of the Contractor to notify all inspectors and professionals. He also wanted to know if there was a provision to recover the additional costs. Mr. Hemstreet responded there are liquidated damages or a set amount in the contract which pertain to the amount that will be withheld from payment if the Contractor does not finish within the contractual timeframe.

### 7. Informational Items

- (A) Change in Meeting Dates A memo describing the changes in meeting dates scheduled for the remainder of the year was provided to the Committee, but not reviewed during the meeting.
- (B) A memo advising the Committee of a Special Joint Meeting of the Finance and Citywide Projects and G.O. Bond Oversight Committees to discuss the FY 2003/2004 Capital Budget was scheduled for Thursday, August 21, 2003 was provided to the Committee but not reviewed during the meeting.
- (C) The Updated Calendar of Scheduled Community Meetings was provided to the Committee, but not reviewed during the meeting.
- (D) The Development Agreement for stormwater improvements on Bay Road between 14<sup>th</sup> and 16<sup>th</sup> Street as approved by the City Commission on July 30, 2003 was provided to the Committee, but not reviewed during the meeting
- (E) An Additional Services Agreement for The Corradino Group for additional services to complete the Normandy Isle Park and Pool project and the Scott Rakow Youth Center Project that was approved by the City Commission on July 30, 2003 was provided to the Committee, but not reviewed during the meeting.

The Meeting adjourned at 9:41 p.m.

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